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SENATE BILL 561

46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004

INTRODUCED BY

Ben D. Altamirano

AN ACT

RELATING TO GOVERNMENT ACCOUNTABILITY; CHANGING THE NAME OF THE
ACCOUNTABILITY IN GOVERNMENT ACT; AMENDING AND ENACTING
SECTIONS OF THE ACCOUNTABILITY IN GOVERNMENT ACT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 6-3-21 NMSA 1978 (being Laws 1955,
Chapter 114, Section 12, as amended by Laws 1999, Chapter 5,
Section 12 and also by Laws 1999, Chapter 15, Section 12) is
amended to read:

"6-3-21. PREPARATION OF THE BUDGET.--

A. The governor shall prepare the budget and submit
it to the legislative finance committee and each member of the
legislature not later than January [~~1 of each year~~] 5 in even-
numbered years and not later than January 15 in odd-numbered
years. In the preparation of the budget the governor may:

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1 (1) change the tentative budget by adding new
2 items, increasing or decreasing or eliminating items;

3 (2) obtain advice and assistance from any
4 state agency; and

5 (3) hold hearings on the budget.

6 B. Any budget hearings conducted by the governor
7 shall be open to the public. The governor may require the
8 attendance of any head of an agency, whether elective or
9 appointive. At the hearings, any officer or agency may protest
10 budget items."

11 Section 2. Section 6-3A-1 NMSA 1978 (being Laws 1999,
12 Chapter 5, Section 1 and Laws 1999, Chapter 15, Section 1) is
13 amended to read:

14 "6-3A-1. SHORT TITLE.--~~[Sections 1 through 8 of this act]~~
15 Chapter 6, Article 3A NMSA 1978 may be cited as the
16 "~~[Accountability]~~ Managing and Legislating for Results in
17 Government Act."

18 Section 3. Section 6-3A-2 NMSA 1978 (being Laws 1999,
19 Chapter 5, Section 2 and Laws 1999, Chapter 15, Section 2) is
20 amended to read:

21 "6-3A-2. FINDINGS AND PURPOSE.--

22 A. The legislature finds that agencies should:

23 (1) be granted sufficient statutory authority
24 and flexibility to use their resources in the best possible way
25 in order to better serve the citizens of New Mexico through the

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1 efficient delivery of services and products and the effective
2 administration of governmental programs;

3 (2) be held accountable for the services and
4 products they deliver in accordance with clearly defined
5 missions, goals and objectives;

6 (3) develop performance measures for
7 evaluating performance and assessing progress in achieving
8 goals and objectives, and those measures should be integrated
9 into the planning and budgeting process and maintained on an
10 ongoing basis;

11 (4) have incentives to deliver services and
12 products in the most efficient and effective manner and, if
13 appropriate, recommend the restructuring of ineffective
14 programs or the elimination of unnecessary programs;

15 (5) have their performance in achieving
16 desired outputs and outcomes and in efficiently operating
17 programs measured and evaluated in an effort to improve program
18 coordination, eliminate duplicate programs or activities and
19 provide better information to the governor, the legislature and
20 the public; and

21 (6) strive to keep the citizens of this state
22 informed of the public benefits derived from the delivery of
23 agency services and products and of the progress agencies are
24 making with regard to improving performance.

25 B. The purpose of the [~~Accountability~~] Managing and

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1 Legislating for Results in Government Act is to provide for
2 more cost-effective and responsive government services by using
3 the state budget process and defined outputs, outcomes and
4 performance measures to annually evaluate the performance of
5 state government programs."

6 Section 4. Section 6-3A-3 NMSA 1978 (being Laws 1999,
7 Chapter 5, Section 3 and Laws 1999, Chapter 15, Section 3) is
8 amended to read:

9 "6-3A-3. DEFINITIONS.--As used in the [~~Accountability~~]
10 Managing and Legislating for Results in Government Act:

11 A. "agency" means a branch, department,
12 institution, board, bureau, commission, district or committee
13 of the state;

14 B. "approved program" means a program included in
15 an approved list of programs issued by the division pursuant to
16 Section [~~4 of the Accountability in Government Act~~] 6-3A-4 NMSA
17 1978;

18 C. "baseline data" means the current level of a
19 program's performance measures established pursuant to
20 guidelines established by the division in consultation with the
21 committee;

22 D. "committee" means the legislative finance
23 committee;

24 E. "division" means the state budget division of
25 the department of finance and administration;

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1 F. "outcome" means the measurement of the actual
2 impact or public benefit of a program;

3 G. "output" means the measure of the volume of work
4 completed or the level of actual services or products delivered
5 by a program;

6 [~~G.~~] H. "performance-based program budget" means a
7 budget that identifies a total allowed expenditure for a
8 program and includes performance measures, performance
9 standards and program evaluations;

10 [~~H.~~] I. "performance measure" means a quantitative
11 or qualitative indicator used to assess the output or outcome
12 of an approved program;

13 [~~I.~~ "~~performance standard" means a targeted level~~
14 ~~of an output or outcome as indicated by performance measures;~~
15 ~~and]~~

16 J. "performance target" means the expected level of
17 performance of a program's performance measures; and

18 [~~J.~~] K. "program" means a set of activities
19 undertaken in accordance with a plan of action organized to
20 realize identifiable goals and objectives based on legislative
21 authorization."

22 Section 5. Section 6-3A-4 NMSA 1978 (being Laws 1999,
23 Chapter 5, Section 4 and Laws 1999, Chapter 15, Section 4) is
24 amended to read:

25 "6-3A-4. PROGRAM IDENTIFICATION.--

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1 A. Prior to ~~[May 1]~~ July 15 of each year, each
2 agency ~~[that is required to submit a performance-based program~~
3 ~~budget request in the subsequent fiscal year]~~ shall ~~[identify~~
4 ~~and]~~ submit to the division and the committee ~~[a list of agency~~
5 ~~programs]~~ proposed changes to its current program structure.

6 The division, in consultation with the committee and the
7 agency, shall review the ~~[list]~~ requested changes, make any
8 necessary ~~[changes]~~ revisions and issue ~~[an approved list]~~
9 approval or disapproval within thirty days of receipt. The
10 division shall send a copy of ~~[the approved list]~~ its approval
11 or disapproval to the committee.

12 B. The program list submitted by ~~[an]~~ the agency
13 shall be accompanied by:

14 (1) the constitutional or statutory direction
15 and authority for each program;

16 (2) identification of the users of each
17 program;

18 (3) the purpose of each program or the benefit
19 derived by the users of the program; and

20 (4) other financial information as required by
21 the division in consultation with the committee."

22 Section 6. Section 6-3A-5 NMSA 1978 (being Laws 1999,
23 Chapter 5, Section 5 and Laws 1999, Chapter 15, Section 5) is
24 amended to read:

25 "6-3A-5. PERFORMANCE MEASURES.--

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1 A. Prior to June [±] 15 of each year, the division,
2 in consultation with the committee, shall develop instructions
3 for the development of performance measures for evaluating
4 approved programs.

5 B. Prior to July [±] 15 of each year, each agency
6 [~~required to submit a performance-based budget request in the~~
7 ~~subsequent fiscal year~~] shall submit to the division and the
8 committee proposed changes in its performance measures [~~for~~
9 ~~each approved program~~]. The agency shall identify the outputs
10 produced by each program, the outcomes resulting from each
11 program and baseline data associated with each performance
12 measure. The division, in consultation with the committee and
13 the agency, shall review the proposed [~~performance measures~~
14 changes, make necessary [~~changes~~] revisions and issue [~~approved~~
15 ~~performance measures~~] its approval or disapproval within thirty
16 days of receipt. The division shall send a copy of [~~the~~
17 ~~approved performance measures~~] its approval or disapproval to
18 the committee."

19 Section 7. Section 6-3A-6 NMSA 1978 (being Laws 1999,
20 Chapter 5, Section 6 and Laws 1999, Chapter 15, Section 6) is
21 amended to read:

22 "6-3A-6. SCHEDULE FOR SUBMISSION OF PERFORMANCE-BASED
23 PROGRAM BUDGET REQUESTS.--[~~A. State Agencies shall submit~~
24 ~~performance-based program budget requests pursuant to a~~
25 ~~schedule to be developed by the division, in consultation with~~

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1 ~~the committee.]~~ No later than September 1 ~~[1999 and each~~
2 ~~September 1 thereafter, the]~~ of each year, agencies shall
3 submit performance-based program budget requests for the
4 subsequent fiscal year to the division and to the committee.
5 ~~[based on that schedule.~~

6 ~~B. The division shall develop the state agency~~
7 ~~schedule so that all agencies, including the judicial branch of~~
8 ~~government and institutions of higher education, are~~
9 ~~implementing performance-based program budgeting by the end of~~
10 ~~fiscal year 2004.]"~~

11 Section 8. Section 6-3A-7 NMSA 1978 (being Laws 1999,
12 Chapter 5, Section 7 and Laws 1999, Chapter 15, Section 7) is
13 amended to read:

14 "6-3A-7. PERFORMANCE-BASED PROGRAM BUDGET REQUESTS.--

15 A. The division, in consultation with the
16 committee, shall develop instructions for those agencies
17 required to submit performance-based program budget requests.
18 The instructions shall be sent to the agencies on or before
19 ~~[July 1]~~ June 15 of each year and shall be in addition to any
20 other forms required by Section 6-3-18 NMSA 1978. The
21 instructions shall require that performance-based program
22 budget requests contain the following:

- 23 (1) a summary of each approved program,
24 including a justification for the program;
25 (2) for each approved program, an evaluation

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1 of the agency's progress in meeting the performance [~~standards~~]
2 targets. The evaluation shall be developed as prescribed in
3 the budget instructions;

4 (3) for each approved program, the outputs,
5 outcomes, baseline data, performance measures and historic and
6 proposed performance [~~standards~~] targets;

7 (4) if a performance audit has been conducted
8 on an approved program during either the present or any of the
9 immediately preceding two fiscal years, any responses that the
10 agency may have to the audit and any actions that the agency
11 has taken as a result of the audit; and

12 (5) any other information that the division
13 believes may be useful to the division or the legislature in
14 developing a budget for the agency.

15 B. On or before September 1 of each year, each
16 agency [~~required to~~] shall submit a performance-based program
17 budget request [~~shall submit the request~~] to the division and
18 the committee in the form and manner prescribed in the budget
19 instructions. Budget requests submitted pursuant to this
20 section shall be in lieu of those required by Section 6-3-19
21 NMSA 1978."

22 Section 9. Section 6-3A-8 NMSA 1978 (being Laws 1999,
23 Chapter 5, Section 8 and Laws 1999, Chapter 15, Section 8) is
24 amended to read:

25 "6-3A-8. PERFORMANCE-BASED PROGRAM BUDGETS.--

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1 A. For each agency [~~required to submit a~~
2 ~~performance-based program budget request~~], the governor's
3 proposed budget submitted pursuant to Section 6-3-21 NMSA 1978
4 and the committee's budget recommendation pursuant to Section
5 2-5-4 NMSA 1978 shall contain:

6 (1) a budget recommendation for each approved
7 program;

8 (2) a summary, including the outputs and
9 outcomes, of each approved program;

10 (3) performance measures and performance
11 [~~standards~~] targets for each approved program;

12 (4) an evaluation of the performance of each
13 approved program; and

14 (5) any other criteria deemed relevant by the
15 governor or the committee.

16 B. For each agency [~~required to submit a~~
17 ~~performance-based program budget request~~], the governor's
18 proposed budget submitted pursuant to Section 6-3-21 NMSA 1978
19 and the committee's budget recommendation pursuant to Section
20 2-5-4 NMSA 1978 may contain recommendations regarding
21 incentives or disincentives for agency performance. Incentives
22 or disincentives may apply to all or part of an agency and may
23 apply to any or all of an agency's approved programs.

24 C. Pursuant to Section 6-3-7 NMSA 1978, the
25 division shall prescribe forms and approve operating budgets

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1 for agencies funded by performance-based program budgets;
2 however, the division shall not take any action that hinders an
3 agency from operating under a performance-based appropriation
4 or that is otherwise inconsistent with the purposes of the
5 ~~[Accountability]~~ Managing and Legislating for Results in
6 Government Act. Notwithstanding the provisions of Sections
7 6-3-23 through 6-3-25 NMSA 1978, and absent specific
8 authorization in the general appropriation act or other act of
9 the legislature, no funds may be transferred either into or out
10 of a performance-based program budget.

11 D. ~~[No later than July 1 of the year in which a~~
12 ~~state agency begins operating under a performance-based program~~
13 ~~budget, the]~~ Each agency shall develop, in consultation with
14 the division, a plan for monitoring and reviewing the agency's
15 programs to ensure that performance data are maintained and
16 supported by agency records."

17 Section 10. A new section of the Managing and Legislating
18 for Results in Government Act is enacted to read:

19 "[NEW MATERIAL] QUARTERLY REPORTING.--

20 A. The division, in consultation with the
21 committee, shall select agencies and specify performance
22 measures for those agencies that shall be reported on a
23 quarterly basis.

24 B. Quarterly reports shall compare actual
25 performance for the report period with targeted performance and

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1 shall be filed with the division and committee within thirty
2 days of the end of a reporting period."

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